

COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

Members of the Board

Gloria Molina Yvonne B. Burke Zev Yaroslavsky Don Knabe Michael D. Antonovich

Pastor Herrera, Jr.

"To Enrich Lives Through Effective and Caring Service"

November 1, 2005

The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012

Dear Supervisors:

REQUEST FOR TERM EXTENSIONS FOR TEN (10) CABLE TELEVISION FRANCHISES IN THE UNINCORPORATED AREAS OF ALTADENA, AZUSA, HIDDEN HILLS, KINNELOA, LA CRESCENTA/ MONTROSE, LONG BEACH, MALIBU, NORWALK, SOUTH MONROVIA AND WEST COVINA GRANTED TO SUBSIDIARIES OF CHARTER COMMUNICATIONS AND REDUCTION OF HIDDEN HILLS FRANCHISE AREAS

(1st, 3rd, 4th, 5th DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

- 1. Approve ten (10) ordinance amendments to extend the term of cable television franchises through March 31, 2007 in the unincorporated areas of: Altadena, Azusa, Hidden Hills, Kinneloa, La Crescenta/ Montrose, Long Beach, Malibu, Norwalk, South Monrovia and West Covina; and amend the Hidden Hills franchise areas by removing "Part D".
- 2. Introduce, waive reading and place on your Board's Agenda for adoption the attached ordinances that implement the above recommendations.
- Find these franchise extensions categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Charter Communications has eleven (11) cable television franchises with the County that expire on December 31, 2005. One franchise located in the Lost Hills unincorporated area has no cable subscribers and Charter has stated that they have no intention of constructing their cable system in that area because it is already being served by Adelphia Communications. A separate notice was submitted to your Board on

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October 19, 2005 with additional information on this issue. Extension of the remaining ten (10) franchise terms through March 31, 2007 allows the County sufficient time to amend Title 16, Division 4, of the County Code (Cable Television System Franchises) and negotiate the renewal of these franchises.

Term extensions are requested for the following franchises:

<u>Altadena</u>, Ordinance No. 12,348, as amended, granted to Charter Communications Entertainment II, LLC;

<u>Azusa</u>, Ordinance No. 82-0157F, as amended, granted to Charter Communications Entertainment II, LLC;

<u>Hidden Hills</u>, Ordinance No. 89-0001F, as amended, granted to Falcon Cablevision, a California Limited Partnership;

<u>Kinneloa</u>, Ordinance No. 86-0050F, as amended, granted to Charter Communications Entertainment II, LLC;

<u>La Crescenta/ Montrose</u>, Ordinance No. 87-0069F, as amended, granted to Marcus Cable Associates, L.L.C;

Long Beach, Ordinance No. 85-0116F, as amended, granted to Long Beach, LLC;

<u>Malibu</u>, Ordinance No. 84-0233F, as amended, granted to Falcon Cablevision, a California Limited Partnership;

Norwalk, Ordinance No. 86-0011F, as amended, granted to Charter Communications Entertainment II, LLC;

<u>South Monrovia</u>, Ordinance No. 84-0224F, as amended, granted to Charter Communications Entertainment II, LLC; and

<u>West Covina</u>, Ordinance No. 86-0151F, as amended, granted to Charter Communications Entertainment II, LLC.

Removal of the area referred to in the Hidden Hills cable television franchise ordinance as "Part D" ("Area D" on the franchise map) is requested because Charter Communications has stated that they do not provide cable service in that area and have no intention of offering service to residents in that area.

Currently, residents in this area are offered enhanced television services through a private service agreement. Since the provision of these services does not require the crossing of any County public rights-of-way, it does not require a cable franchise.

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Time Warner Cable has notified the County of its interest in providing cable service to these residents by connecting their cable system to that designated area. Since this would require Time Warner to cross County public rights-of-way, it would require Time Warner to include this area in a cable franchise with the County. Time Warner is in the process of providing additional information to the County that will allow the Department of Consumer Affairs to make a recommendation to your Board whether to amend one of Time Warner's franchises to include this area.

Allowance of the amendment to Charter's Hidden Hills franchise to remove "Part D", will remove certain legal impediments that may later arise as a result of two cable companies designating the same franchise service area.

Implementation of Strategic Plan Goals

Approval of these recommendations will assist in implementing the Countywide Strategic Plan goal of fiscal responsibility. This will ensure the continuation of revenue provided to the County by statute.

FISCAL IMPACT/FINANCING

There will be no cost to the County. These cable television franchises generate revenue to the County. Section 622 (b) of the Cable Act of 1984 [47 U.S.C. §542 (b)] gives a local franchising authority, such as the County, the right to collect franchise fees of no more than five percent (5%) of total gross revenues collected by a cable television operator over a 12-month period. The County is collecting the maximum allowable fees and the extensions of these cable television franchises will not affect the collection of these franchise fees.

FACTS AND PROVISIONS/LEGAL REQUIRMENTS

The Office of the County Counsel has reviewed the attached ordinances and approved them as to form.

ENVIRONMENTAL DOCUMENTATION

The term extension of these cable television franchises is categorically exempt under CEQA pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current services.

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CONCLUSION

It is requested that the Executive Office-Clerk of the Board notify Ms. Susan Evans, Director of Government Relations, Charter Communications, 4781 Irwindale Avenue, Irwindale, California, 91706, Chief Administrative Officer, County Counsel, Auditor Controller, Department of Public Works, and Department of Consumer Affairs of the Board's action in this matter.

Respectfully submitted,

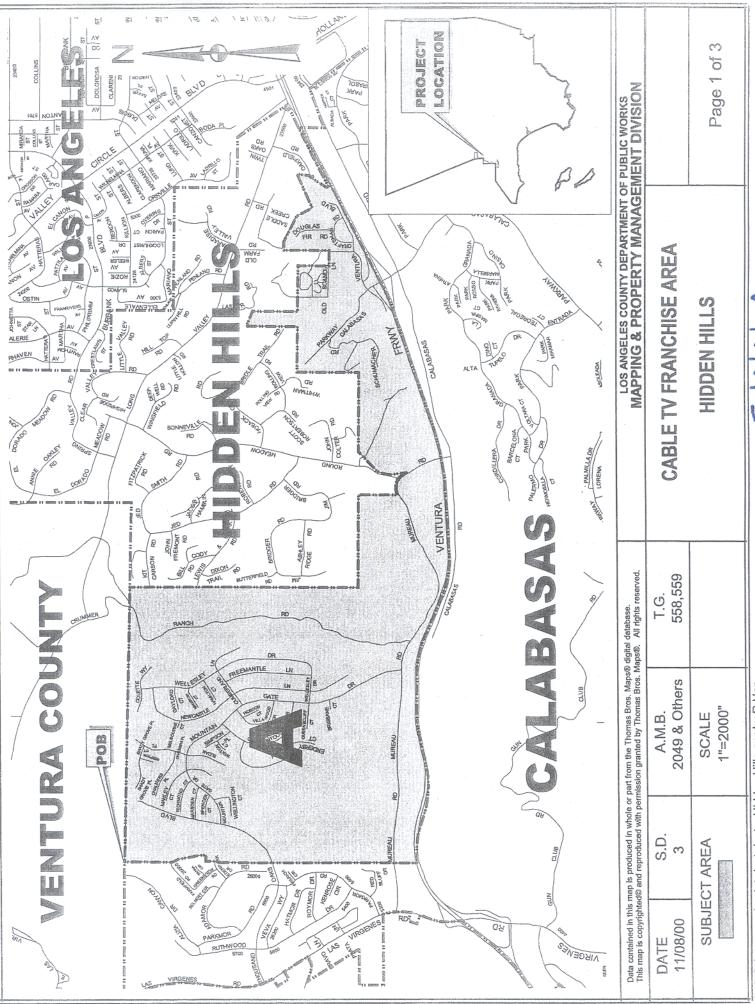
Pastor Herrera, Jr. Director

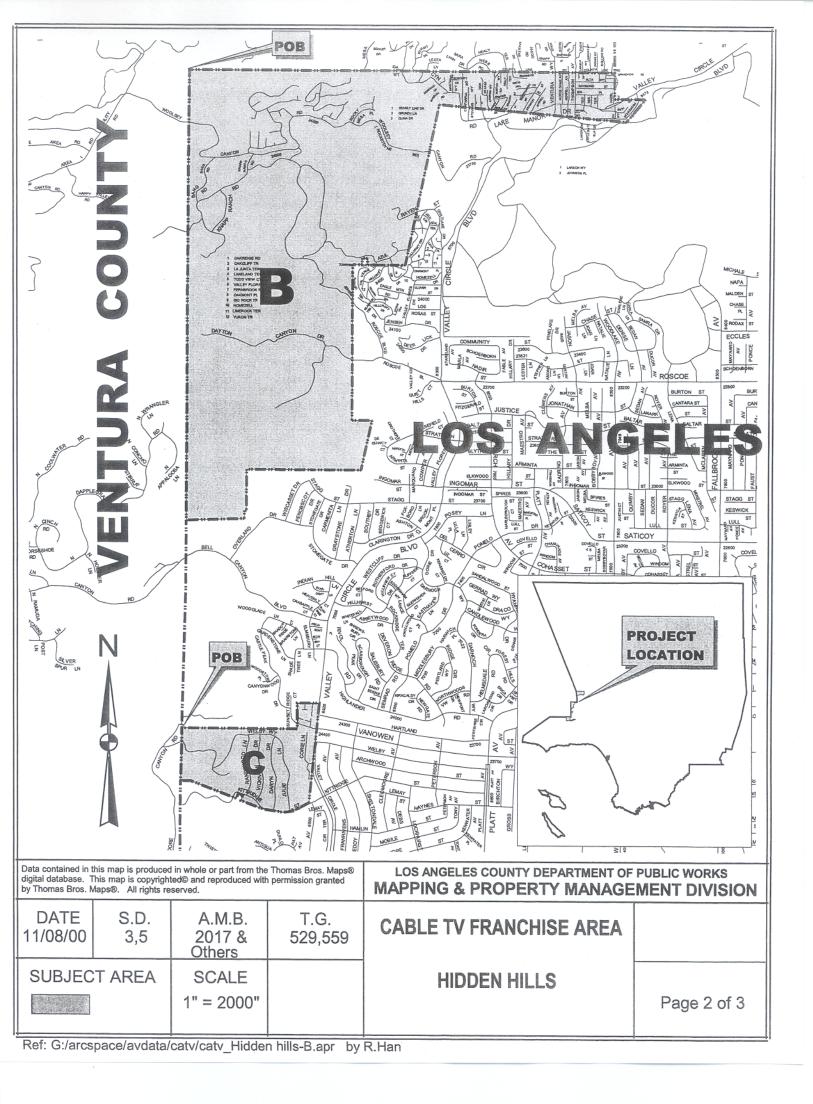
Enclosures: (10) Ordinances

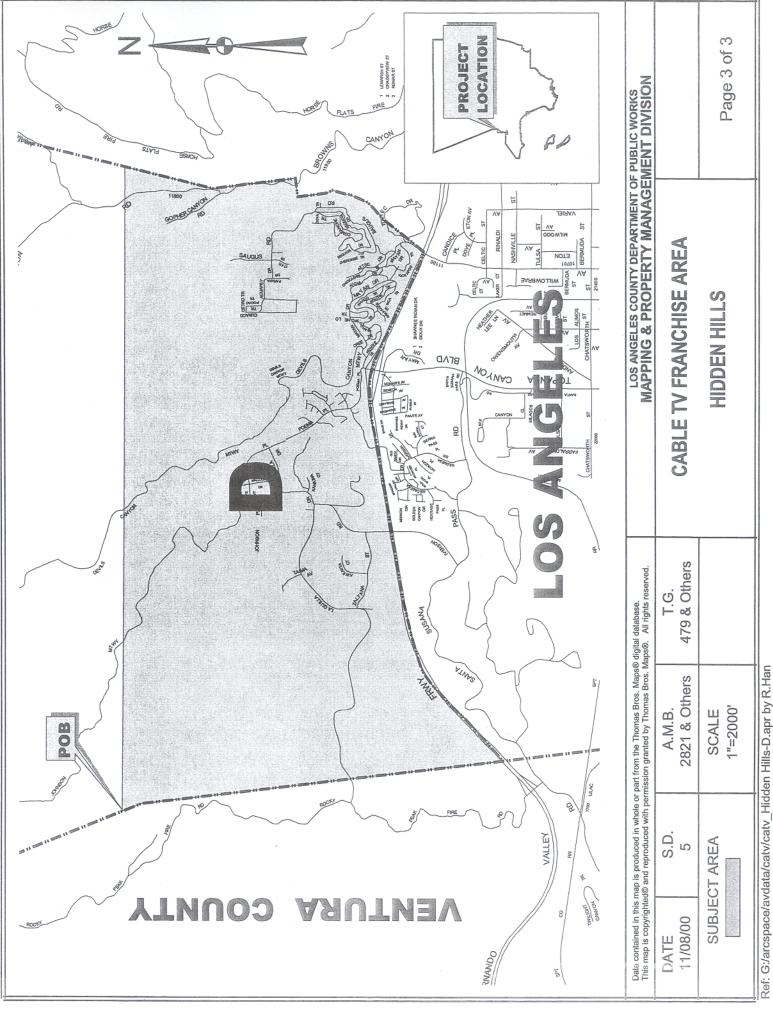
Exhibit A: Current Franchise Areas Map Exhibit B: Proposed Franchise Areas Map

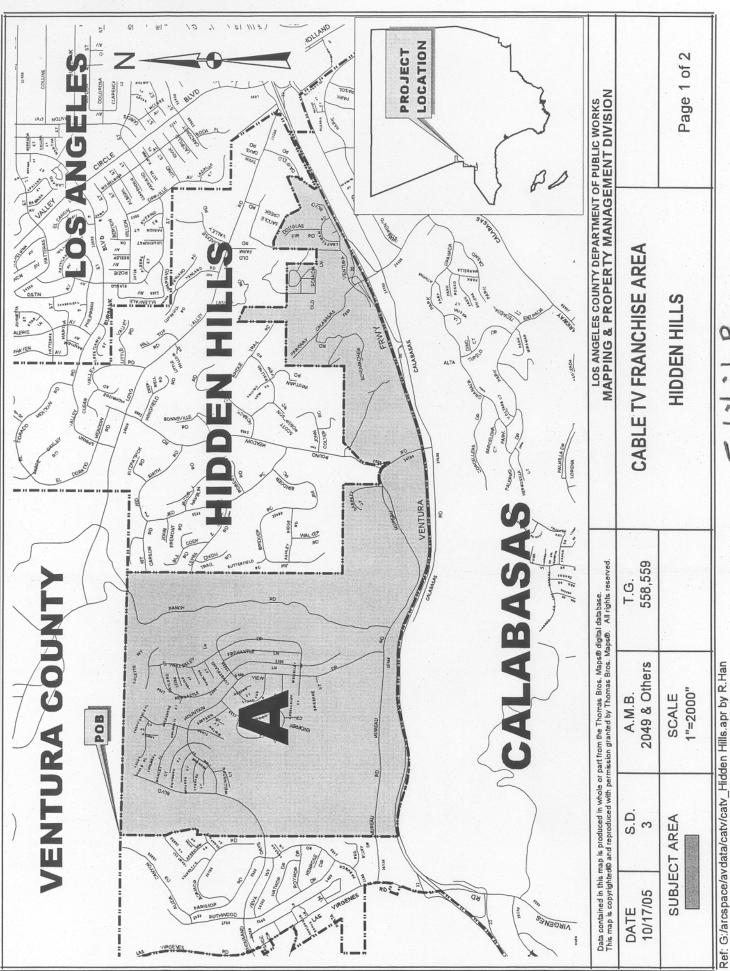
c: Executive Officer, Board of Supervisors
Ms. Susan Evans, Charter
Chief Administrative Officer
Auditor-Controller
County Counsel
Department of Public Works

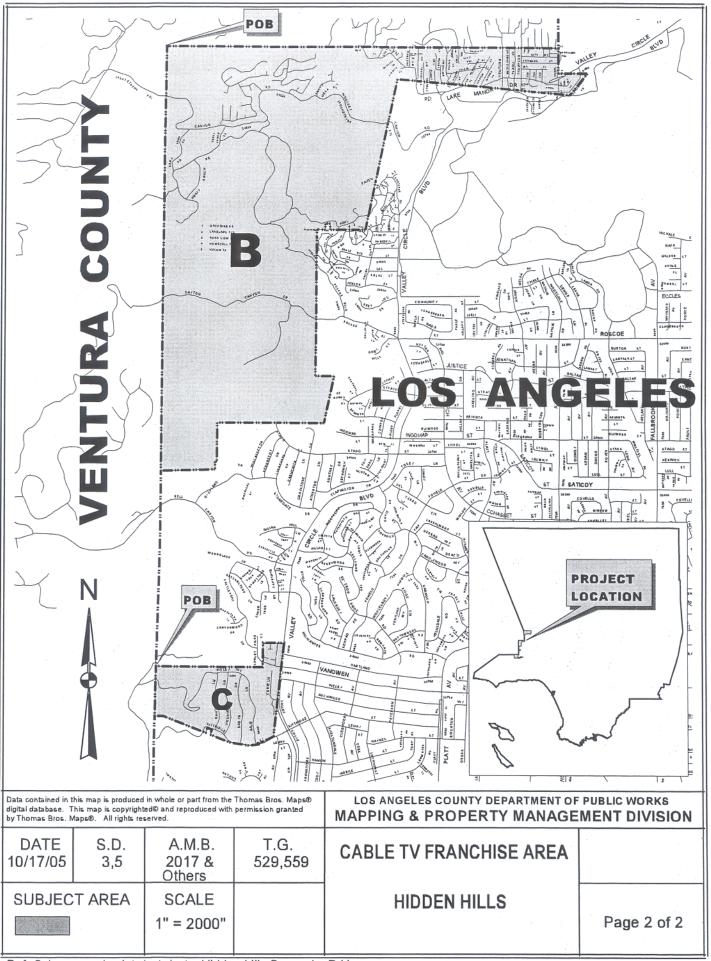
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